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May 22, 2020

Ms. Jocelyn Boyd  
Chief Clerk and Administrator  
South Carolina Public Service Commission  
Synergy Business Park, The Saluda Building  
101 Executive Center Drive  
Columbia SC 29210

**Re: Comments and Request for Clarification of Requirement to Track Revenue Impacts  
and File Quarterly Reports  
Docket No. 2020-106-A**

Dear Ms. Boyd:

Attached for filing, on behalf of the South Carolina Telephone Coalition ("SCTC"), please find comments and Request for Clarification of Commission Order No. 2020-372.

Additionally, please note that we plan to participate in the Virtual Forum scheduled for May 27, 2020 of behalf of SCTC.

Sincerely,

Burr & Forman LLP



Margaret M. Fox

MMF/khh

BEFORE THE  
PUBLIC SERVICE COMMISSION  
OF SOUTH CAROLINA  
DOCKET NO. 2020-106-A

In Re:	)	COMMENTS OF THE SOUTH
	)	CAROLINA TELEPHONE COALITION
Actions in Response to COVID-19	)	AND REQUEST FOR CLARIFICATION
	)	OF REQUIREMENT TO TRACK REVENUE
	)	IMPACTS AND FILE QUARTERLY REPORTS
	)	

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The South Carolina Telephone Coalition member companies (see list attached hereto as “Exhibit A”) (collectively referred to as “SCTC”) respectfully submit the following comments in response to Order No. 2020-372 issued by the Public Service Commission of South Carolina (“Commission”) in the above-referenced docket. The Commission’s Order was issued in response to a motion filed by the Office of Regulatory Staff on May 8, 2020 (“ORS Motion”) requesting, among other things, that the Commission solicit input from utilities regarding specific mitigation measures outlined in the ORS Motion.

Commission Order No. 2020-372 directs companies to file comments on the issues contained in the ORS Motion regarding measures to be taken to mitigate impacts of COVID-19 on utility customers, and related matters. Order No. 2020-372 further directs that utilities file comments on any matters not vacated in Order No. 2020-228, including but not limited to the waiver of regulations related to late payment charges, the waiver of reconnection fees, or other matters. Finally, Order No. 2020-372 directs utilities to track revenue impacts, incremental costs and savings related to COVID-19, and to file with the Commission those findings on a quarterly basis, beginning not later than the end of the second quarter of 2020.

**1. Comments on Temporary Mitigation Measures Related to COVID-19**

In its Motion, ORS requests that the Commission solicit comments regarding whether modifications to utility practices or other opportunities exist that could assist utilities and their customers as South Carolinians collectively work to counteract the impacts of COVID-19. ORS specifically sets forth possible options regarding on-line payment and credit card processing fees, late payment fees, returned check charges, credit reporting, and communication regarding safety net provisions. ORS further requests that the Commission solicit comments from utilities on the planning activities they are undertaking to return to normalized operations.

SCTC previously filed with the Commission in this docket a letter summarizing the SCTC member companies' efforts to assist their customers with COVID-19-related disruptions. *See* Letter from M. John Bowen, Jr., dated March 17, 2020. Individual press releases issued by each of the member companies were attached to the letter to fully inform the Commission regarding the companies' various efforts. Since that time, SCTC member companies have continued to work with their customers and local communities to assist with any additional or special needs that have arisen as a result of the pandemic. Those efforts have varied by company due to the different needs of their local communities. For example, companies that have a large number of hospitality industry customers have worked with those customers to help mitigate the disproportionate impact of the pandemic on those businesses. Other companies have focused their efforts on ensuring broadband access to families with school-age children, or on working with customers to ensure they can retain essential services during the state of emergency.

SCTC appreciates the efforts of the Commission and ORS in identifying and granting waivers of any regulations that may restrict telephone utilities from exercising the flexibility they need to be able to respond to customers' needs during this unprecedented time. SCTC does not

believe additional waivers are necessary at this time, as most of the specific suggestions offered by ORS appear to be permissive as they relate to telephone utilities. For example, R. 103-622.2 provides that a late payment charge “may” be added to any unpaid balance. Likewise, payees are not required to pursue returned check charges under S.C. Code Ann. § 34-11-70. The SCTC member companies will continue to consider these and other possible ways to assist customers as these companies transition back to normal business operations. However, there is no “one-size-fits-all” solution, and what works for one local community may not be appropriate for another. The SCTC member companies respectfully suggest that the Commission continue to grant regulatory flexibility, upon request and as needed, to address specific needs that may be identified in the future. However, no utility should be required to undertake any particular measure. This is particularly true of telephone utilities, which are not subject to rate regulation in South Carolina and, therefore, do not have the same ability other utilities may have to include the costs of these measures in future rate cases.

**2. Request for Clarification and/or Request for Exemption from Requirement to Track Revenue Impacts and File Quarterly Reports**

The purpose of requiring utilities to report on the revenue impact of their COVID-19 efforts is to gather data to be used in future ratemaking proceedings. *See* ORS Motion at pp. 5-6 (“This data could prove invaluable going forward *as utilities seek to recover* net impacts associated with COVID-19. Moreover, utilities should be encouraged to explain the nature of any operational actions they have taken, whether such operational actions are temporary, and what actions should be excluded or normalized *from future ratemaking proceedings.*”). Because the Commission’s ratemaking authority over SCTC Companies is limited by statute as explained below, the SCTC Companies respectfully submit that they should not be required to file such reports.

The Commission has the power to regulate public utilities as set forth in S.C. Code Ann. § 58-9-140. Section 58-3-140(A) provides in part: “*Except as otherwise provided in Chapter 9 of this title*, the commission is vested with power and jurisdiction to supervise and regulate the rates and service of every public utility in this State ...” (Emphasis added.)

Chapter 9 of Title 58 provides for, among other things, alternative regulation plans for electing telecommunications providers. A local exchange carrier (“LEC”) may elect to be regulated under an alternative regulation plan described in Section 58-9-576(B) upon a showing that there is competition for the LEC’s local exchange telephone service. *See* S.C. Code Ann. § 58-9-576(A).

The alternative regulation plan described in Section 58-9-576(B) governs the rates, terms, and conditions for the LEC’s service, and applies “*in lieu of other forms of regulation including, but not limited to, rate of return or rate base monitoring or regulation ....*” (Emphasis added.) Each of the SCTC Companies has elected alternative regulation under Section 58-9-576(B).

The statute provides for price caps that govern the maximum amount LECs may charge for services. Alternative regulation is necessary because, unlike other regulated utilities, telecommunications service providers are subject to competition, and many of their competitors are not regulated. The alternative regulation plan provides the pricing flexibility (below established price caps) LECs need in order to compete with other service providers. In this manner, the competitive market acts as a “regulator” of the rates charged by alternatively regulated companies, in lieu of having rates set by the Commission.

Because SCTC Companies’ rates are not set by the Commission, and instead are governed by the statutory provisions contained in Section 58-9-576(B), there is no basis for requiring SCTC Companies to file reports regarding revenue impacts, incremental costs and savings related to

COVID-19. Likewise, other telephone utilities (*e.g.*, competitive local exchange carriers) are not subject to the same kind of rate regulation as electrical and other utilities, due to the competitive nature of their service offerings.

In a recent similar docket, the Commission found that telephone utilities were not required to track the impact of federal tax relief on the companies' operations. *See* Commission Order No. 2018-308 in Docket No. 2017-381-A (the Commission required utilities to track the effects of the federal Tax Cuts and Jobs Act, but stated that its order did "not apply to telecommunications utilities whose rates are not regulated by the Commission or those companies which have elected alternative regulation" because "[s]ince these companies are not regulated based on their costs and earnings, it is unnecessary for the Commission to evaluate the impact of the Tax Act."). We respectfully request the same treatment for telephone utilities in this case.

Respectfully submitted,

By:



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ATTORNEYS FOR THE SOUTH CAROLINA  
 TELEPHONE COALITION

Columbia, South Carolina

May 22, 2020

**Exhibit A**

## South Carolina Telephone Coalition Member Companies

Bluffton Telephone Company, Inc.  
Chesnee Telephone Company  
Chester Telephone Company, d/b/a TruVista  
Comporium, Inc. (f/k/a Rock Hill Telephone Company)  
Farmers Telephone Cooperative, Inc.  
Ft. Mill Telephone Company, d/b/a Comporium  
Hargray Telephone Company, Inc.  
Home Telephone ILEC, LLC d/b/a Home Telecom  
Horry Telephone Cooperative, Inc.  
Lancaster Telephone Company, d/b/a Comporium  
Lockhart Telephone Company, d/b/a TruVista  
McClellanville Telephone Company (TDS)  
Norway Telephone Company (TDS)  
Palmetto Rural Telephone Cooperative, Inc.  
Piedmont Rural Telephone Cooperative, Inc.  
PBT Telecom, d/b/a Comporium  
Ridgeway Telephone Company, d/b/a TruVista  
Sandhill Telephone Cooperative, Inc.  
St. Stephen Telephone Company (TDS)  
West Carolina Rural Telephone Cooperative, Inc.  
Williston Telephone Company (TDS)

**THE PUBLIC SERVICE COMMISSION  
OF SOUTH CAROLINA  
DOCKET NO. 2020-106-A**

**In the Matter of:**

**ACTIONS IN RESPONSE TO COVID-19**

**CERTIFICATE OF SERVICE**

This is to certify that I, Kathy H. Handrock, a Paralegal for Burr & Forman LLP, have this date served one (1) copy of the Comments of the *South Carolina Telephone Coalition and Request for Clarification of Requirement to Track Revenue Impacts and File Quarterly Reports* in the above-referenced matter to the person(s) named below by causing said copy to be electronically mailed to the e-mail address on file with the Public Service Commission:

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/s/ Kathy H. Handrock  
Kathy H. Handrock

May 22, 2020  
Columbia, SC